

# Cyprus Parliament approves legislation implementing DAC6

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## In brief

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On 18 March 2021 the Cyprus Parliament approved the Bill (“Law”) amending the Law on Administrative Cooperation in the Field of Taxation (Law 205(I)/2012), implementing Council Directives (EU) 2018/822 of 25 May 2018 and 2020/876 of 24 June 2020 on the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (“DAC6”).

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## In detail

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### Cyprus Parliament approved legislation implementing DAC6

On 18 March 2021, the Cyprus Parliament approved the draft Bill amending the Law on Administrative Cooperation in the Field of Taxation, implementing DAC6.

Once the Law is published in the Government Gazette of the Republic of Cyprus, it will be in force and will have a retroactive effect, capturing reportable cross-border arrangements made on or after 25 June 2018.

On 26 February 2021, the Cyprus tax authorities issued an announcement stating that no penalties will be imposed for all filings effected by 30 June 2021 in respect of arrangements with a triggering event between 25 June 2018 and 31 May 2021. Arrangements from 1 June 2021 need to be reported within 30 days from the relevant triggering event.

Additionally, guidance notes in the form of Regulations are expected to be issued which will provide clarity on the interpretation of key terms and provisions of the Law.

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## The takeaway

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Although no penalties should arise for filings effected by 30 June 2021, taxpayers and intermediaries need to monitor their historic (from 25 June 2018) as well as any future cross border arrangements. It is prudent to commence immediately the analysis, tracking and collecting of information on potentially reportable arrangements in order to ensure effective compliance with the Law.

PwC has dedicated teams and has developed tools to support you in meeting your obligations under DAC6.

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## Let's talk

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For a deeper discussion of how this issue might affect your business, please contact:

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